DOCUMENT RESUME

ED 100 052 EA 006 673

AUTHOR Bell, T. H.
TITLE A Foundation To Build On.
PUB DATE 16 Oct 74
NOTE 14p.; Speech given at the Annual Meeting of the Association of School Business Officials (60th, Miami Beach, Florida, October 1974)

EDRS PRICE MF-$0.75 HC-$1.50 PLUS POSTAGE
DESCRIPTORS *Educational Accountability; *Educational Administration; Educational Equality; *Educational Finance; Educational Improvement; Educational Objectives; Educational Planning; Educational Policy; Educational Responsibility; Elementary Secondary Education; *Equalization Aid; *Management by Objectives; State Legislation; State School District Relationship
IDENTIFIERS Association of School Business Officials

ABSTRACT

The Association of School Business Officials could be a moral and persuasive force to help close performance gaps in several key areas of public education, including school finance, educational accountability, and management by objectives. Although school finance inequity is the most pressing educational problem in most States, only 18 States have so far enacted new approaches to school finance. No school official should tolerate the injustice of inadequate or nonexistent school finance formulas. Accompanying the need for financial equality is the need for better accountability in education. Accountability should be a two-way process that serves students and solves problems, not just a way to place blame. Accountability should be a negotiated agreement between participants that specifies the rewards and costs that will accrue as a result of an evaluation of the attainment of specified goals. School management by objectives is a means of attaining performance accountability that is gaining interest in some larger school districts. A basic management by objectives program for a school district involves participation by both central office staff and personnel at the individual schools and establishes the definite objectives and division of responsibility that are crucial to any accountability effort. (Author/JG)

U S DEPARTMENT OF HEALTH
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION
THIS DOCUMENT HAS BEEN REPRO-
DUCED EXACTLY AS RECEIVED FROM
THE PERSON OR ORGANIZATION ORIGIN-
ATING IT. POINTS OF VIEW OR OPINIONS
STATED DO NOT NECESSARILY REPRE-
SENT OFFICIAL NATIONAL INSTITUTE OF
EDUCATION POSITION OR POLICY

A FOUNDATION TO BUILD ON*

by
T. H. Bell
U. S. Commissioner of Education

ED 100052

I want to thank you ladies and gentlemen today for what you have done and are doing for the school children of the United States and of Canada.

You, the school business officials, are really a foundation to build on, and you have been bearing the structure of education exceedingly well. As evidence of this I need only point to the more than 60 years of cooperation between the Association of School Business Officials and the U.S. Office of Education.

Publication of the Education Resources Management System handbook in 1971 under the direction of your Research Corporation, with support from the Office of Education, is a milestone of significant progress in the quest for quality education.

I know the problems you face in your managerial tasks, for I have just come from the superintendency of a large school district in Utah.

I know you are seeking ways to predict costs in an unpredictable economy. I'm aware of your concerns in coping with the fuel shortage.

I'm aware of your anxieties over collective bargaining, which is fast becoming a fact of life in many States, some of which have excellent laws on the subject and many of which have let this process grow without laws to curb excesses. Some very long--inexcusably long--school shutdowns have occurred.

---

*Prepared for annual conference of the Association of School Business Officials; Miami, Florida, October 16, 1974.

EA 006 673

I am also aware of your concerns about the proposed regulations for Title IX of the 1972 Education Amendments and the need to provide equal opportunities to both sexes.

I am just as aware as you are of the economic problems which demand a restraint on spending. But I must add that, while we are constrained, we cannot consider holding back or slowing down the learning process. Your objective must not always be to find the cheapest way to do something, but the one that will help you to cut the frills and corners in your budget proposals while providing quality support for quality instruction.

You in the Association of School Business Officials have always been progressive and forward looking. You have always been a force for change and improvement in American education. You have always had your feet on the ground.

Because you do have your feet on the ground, I want to talk to you about how you can make yourselves known and felt and effective in several matters of critical importance in education.

Before I do this, however, I must concede that what I will speak about is basically State and local business. Some of you may say that, as U. S. Commissioner of Education, I should keep my nose in the Federal arena. But I think I have a responsibility to express my views and to call attention to education problems on all levels--Federal, State, and local.

Those members of this organization from Canada may feel less inclined to listen to a U.S. Commissioner of Education, but perhaps they won't mind my talking about our problems for a few moments.

There are a number of extremely critical areas where both State governments and local school agencies have been negligent. I can't miss such an opportunity as this to tell you of these shortcomings--as I perceive them to be--and to urge you to become more aggressive advocates for change not only within your school systems, but outside as well.

The Association of School Business Officials could be the moral and persuasive force that could stir a ground swell of support. I urge you to close performance gaps in these areas in particular, among several more I could mention:

1. Inequitable school finance
2. Accountability
3. Management by objectives

School Finance Equity stands as a problem we all recognize. We agree that the differences in local property tax revenues available per student from one school district to another represent a most blatant injustice.

Part of this injustice is brought about by archaic school boundary lines that set up too many tiny school districts and too many overburdened monstrosities. It's time to consolidate the small districts and change the boundaries in our great metropolitan areas. Both extremes are inefficient and expensive. It's time to set up our school systems to face the future.

BEST COPY AVAILABLE

BEST COPY AVAILABLE

But inequity in school finance is just like the weather. We all talk about school finance inequities, but few are willing to do much about it. The matter has gone to the U.S. Supreme Court and back to the halls of the State legislatures. At last count there were more than 20 school finance cases in State courts. But in most States the inequity remains.

The problem is our dependence on the property tax as the main source of education revenue. Major reforms in school finance legislation have been enacted so far in only 18 States. But in most cases even these are only a step toward equalization, and many children still are being cheated out of equal educational opportunities.

Seventeen States--California, Florida, Maine, Minnesota, Michigan, New Mexico, Kentucky, Kansas, Montana, Georgia, Louisiana, Illinois, Virginia, Utah, Wisconsin, Wyoming, and Colorado--have adopted various new approaches to school finance. But even some of these States have done little or nothing about their main source of revenue--the property tax.

Arizona has guaranteed in a new law to increase the State share of education costs from 43 percent in 1974 to 70 percent by 1975 and to maintain that level. The new law provides for $40 million in tax relief on residential property, imposes a statewide property tax, and increases State sales and corporate income taxes. Arizona is one of the few States to begin diversification of its school funding resources.

Louisiana voters recently approved a new State constitution which establishes a State role in property assessment for the first time. It requires all districts to assess residential property at 10 percent of

true value but all other property at 15 percent. However, in its new constitution Louisiana removed the millage limitation, and this could end up increasing disparities among school districts.

Some reformers have toyed with the idea of separating non-residential and residential property tax revenues, with the revenue from non-residential property spread statewide. However, this attempt at equalization is in the early stages, and legislators as well as businessmen want to know whether more money for poor districts will mean a higher quality of education or simply higher expenditures.

As property taxes climb, citizens are increasingly unwilling to pay necessary costs of education. In recent years more than half of all propositions to increase property tax rates or to issue school bonds have failed at the polls. Only in the 1972-73 school year, the latest reported year, did bond issue approvals rise above 50 percent, to 56.5 percent. It was the first large upturn for school bond approvals since the early 1960s, but it may have been a deviation caused by a long drought which left school facilities sorely needed.

Joel Berke of the Syracuse Learning Corporation, in a school finance study entitled Answers to Inequity, tells about some results of increased resistance to school support.

Teachers have been laid off in Cincinnati, New York, Chicago, Los Angeles, and Detroit, Berke reports, and some school districts, Philadelphia for one, have considered closing early. New York City, Cincinnati, and Detroit have increased class size and dropped experimental programs. New

York has also been forced to dip into 1975 revenues, Berke says, to meet its 1974 payroll. Los Angeles and Cincinnati have shortened school hours. In addition, Cincinnati has fired a third of its administrative staff.

Mrs. Virginia Griffin, vice chairman of the Cincinnati school board, calls her school system "a disaster area" and rightly asks: "How can we continue with a reduced budget when the cost of everything is going up?" Maybe someone here from Ohio will not agree with Mrs. Griffin. But her comments do highlight the problem of increased cost and taxpayer resistance.

Even if enlightened citizen groups and politicians succeeded in getting more money for schools, we would still have a significant crisis in the equity and efficiency with which education revenues are distributed. Many States provide the least money to the school systems that need it the most--the large urban centers.

And so our challenge is two-fold: First, failure to provide adequate revenues in many school districts and, second, failure to allocate revenues equitably.

It should be clear from all of this that a good school finance formula provides for diversified sources of revenue, with the property tax just one thread in the fabric.

It assures a reasonable level of financial support to the education of every child in the State, regardless of the property tax base. It gives added weighting for the added burdens that some school districts have because of large numbers of disadvantaged children. It is weighted for the added costs of educating handicapped children and bilingual children. It is weighted for school transportation problems that may be more intense in one district than in another.

BEST COPY AVAILABLE

A good school finance formula includes incentives for quality in education, including vocational and career education, incentives to meet the needs of gifted and talented children, and incentives to strengthen school library, counseling, and guidance services.

No school official should tolerate the injustice foisted upon school children through inadequate or non-existent school finance formulas. This is not a problem in just a few States. It is the single most pressing problem in most States. I urge you, in the strongest language I can use--Please take up this challenge. Speak to your legislators, your civic and taxpayer groups, your parents. Let them know what is happening to their children. Spark the formation of coalitions with specific objectives and a unity of purpose.

The Federal Government will help you if you can persuade your legislators and your governor to equalize your State's school finance formula.

The 1974 Education Amendments require me as Commissioner of Education to develop guidelines which will help States to develop or administer financial equity plans consistent with the equal protection clause of the 14th Amendment and which aim at achieving equal access to education.

Our schedule calls for four regional meetings on the equalization guidelines and completion of formal hearings by March. The times and places of hearings will be publicized shortly.

Our entire system of public education is being questioned today by major segments of our society, mostly on the grounds that, with spiraling costs, there is little or no evidence that more dollars buy better

education or that our schools have clear goals and objectives. In my view, no piecemeal solutions to these deficiencies will suffice, and the schools must be held accountable to the people who pay the taxes and otherwise support them.

This brings me to the second area in which I see a shortcoming in American education--accountability.

About 27 States have enacted accountabilty legislation, and some authorities predict that about 45 States will have it by 1976.

In my judgement accountability is the only way to deal systematically with the rising costs of education on one hand and the rising expectations of students, parents, and taxpayers on the other.

In the minds of many, accountability is a "shape up or ship out" proposition. Too often it has been viewed simply as a way to fix blame upon individuals for failure. I reject this. I suggest that the ends of accountability are to serve students and solve problems identified through assessment of the educational needs of students, not to place blame.

I also reject the idea that accountability is a one-way street. To my mind, it must work both ways. If a pupil is accountable to a teacher, a teacher is accountable to the pupil. If we carry this concept through, we will also see parents and taxpayers accountable to the school board and, perhaps, to the chief State school officer.

I like the definition that the Center for the Study of Evaluation at UCLA, sponsored by the U.S. Office of Education, set up for accountability:

> ...a negotiated relationship in which the participants agree in advance to accept specified rewards and costs on the basis of evaluation findings as to the attainment of specified ends.

The essence of this definition is that each of the participants agrees in advance to the criteria. Furthermore, the level of attainment is specified in these criteria.

The Council of Chief State School Officers has taken a look at the future implications of accountability in education. Reporting as part of the National Field Task Force on the Improvement and Reform of American Education, it declared:

> First, schools must make a decision as to those things for which they will assume responsibility. Schools must communicate clearly to parents and to the public regarding expectations which should be considered reasonable.
>
> Second, the schools must avoid practices which needlessly label individuals and usurp their right to make decisions for themselves. There is an ever-present possibility that an urge for accountability can lead to a point where the students are serving the schools, rather than vice versa. Those objectives

> specified at the State level should be limited to objectives which are essential for the welfare of society.
>
> Third, school officials will enjoy much greater discretion in allocating resources, but will also be under greater pressure to use those resources wisely.

In order for accountability to be meaningful, CCSSO concluded: "It is necessary to give those who are accountable a sufficient amount of flexibility in allocating resources so that they will also assume a degree of responsibility. Otherwise, accountability means only that professional educators have become accountants for the department of education."

Accountability is no passing fad. It is in the interest of the taxpayer, but it can also be in your interest with two-way interaction.

Keep in mind that it will only work in those districts, and in those schools, that have clearly defined goals and objectives, my third topic.

School management by objective is gaining in interest as some of the larger school systems across the country turn to it as a means of attaining performance accountability. Its focus is on institutional rather than individual performance. I have nine basic steps for a management by objective program for a school district:

1. Central office staff determines the most critical education needs.

2. Superintendent reviews the needs assessment and identifies some high-level performance priorities.

3. School staff members critique the superintendent's tentative performance priorities.

4. Superintendent reviews feedback from schools and issues several performance priority statements, noting concerns that will receive special attention.

5. Each school staff reviews final performance priority statements and runs a critical analysis of its own performance.

6. Each school staff writes a draft statement of its own performance-oriented objectives that will require high priority during the next academic year. The statement includes what will be accomplished and when. (When a school begins an MBO program it should limit itself to three objectives. In following years, when it has mastered the system, more objectives can be added.)

7. Central office staff reviews and comments on objectives prepared by each school. If a school has ignored a major performance priority issued by the superintendent, the central staff should attempt to persuade that school to adopt it, but there should be no coercion.

8. Each school writes a final statement of objectives, which becomes a commitment from the school to the superintendent.

This is where a school's performance accountability effort comes into focus. And it works both ways. The principal and the faculty have committed themselves to measurable goals, and the central office has committed itself to certain supportive activities.

9. Time-phased action steps are prepared for each objective, spelling out who will do what by when, and how resources will be committed. These steps are completed before the end of the school year so that everything will be in place when the new year rolls around.

Action step progress during the following year is monitored through monthly review conferences. As the end of the year approaches, an evaluation is made. This can be extremely useful in planning next year's MBO cycle, which should by that time be under way.

Once objectives, goals, and strategies have been agreed upon, it is essential that all levels of management understand and accept them. A training program should be instituted for all levels of school management and administration, and the school board as well.

Many changes in school management lurk over the horizon. In a poll by the Education Commission of the States school administrators predicted that by 1985:

*Half of our public schools will be operating year-'round.

*High school students will spend more than one third of their learning time outside school.

*One fourth of our high schools will promote students on the basis of measurable objectives.

*Seventy-five percent of all school districts will enroll three and four-year-olds.

*Ninety-five percent of all young people will finish two years of college using a Federal college voucher.

Although I cannot vouch for the voucher prediction, many of the other things the administrators saw are already in the spawning phase nationwide. What will they mean to your plans as school business officials? Lots of changes?

We can review the past with a high degree of satisfaction. Even the problems, and our struggle to solve those problems, have the pleasant ring of determined progress. It is not our nature, however, to rest on our oars.

Above all, we must preserve that spirit of cooperation which has been our stock in trade for more than six decades. Accountability is not a group of people on one side pointing to another group on the other side and shouting "You be accountable!" A far more productive image is one in which everyone involved faces the future--each responsible for helping the other achieve agreed-upon goals which offer health and prosperity for our youth and our Nation.

Problems of enormous difficulty continue to face all of us who work in education. But with problems come opportunities. The promise for tomorrow is as great as it has ever been--possibly greater than we have ever known.

# # #